

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

317 SCOM10: LOCAL GOVERNMENT STUDY 1979 317

Department of Community and Regional Affairs. Legal opinions rendered by the Legislative Affairs Legal Section and forthcoming from the Attorney General's office will be useful in assessing the legality of each option. Furthermore, the Tanana Chiefs Conference project and proposals could serve as a case study to help the Division study team evaluate the three options listed above.

NANA Regional Strategies

In 1978, the Mauneluk Association undertook a three-year project to develop a regional strategy for development of the Northwest Alaska Region. During the second year of this project, efforts will be devoted to exploring concrete mechanisms for implementing such a regional strategy in the unorganized borough.

The study team performing work proposed in this RSA will closely coordinate their efforts with those of the Mauneluk Association. Coordination will occur through the Division staff member assigned to the NANA Regional Strategy Steering Committee.

Division of Policy Development and Planning

The Division of Policy Development and Planning is approaching the unorganized borough in two ways: (1) seeking the Attorney General's advice on the Tanana Chiefs Conference's request to have six subregional planning commissions designated advisory bodies by the Governor, and (2) working with other offices in the Administration to develop rural policy. The Department of Community and Regional Affairs has been and will continue to work closely with the Division of Policy Development and

Planning on both these efforts. Findings of the study proposed in this RSA will be made available to the Division of Policy Development and Planning as expeditiously as possible for use in formulating rural policy.

MJW:am
8-28-79



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

November 29, 1979

TO: Joint C&RA Committee Members

FROM: Senator Arliss Sturgulewski
Co-Chairman

SUBJECT: Status of Coastal Resource Service Area Organization

As you may know, the Senate and House Community and Regional Affairs Committees will have four coastal resource service area plans in this year for consideration. Additionally, a number of coastal resource service areas are in the organizational process. I thought it would be of interest to you to see the status of some of the proposed plans. You will be receiving information at the beginning of the Session as to the specific plans that have been completed. These plans have to go to the Coastal Policy Council for their consideration and possible adoption. After the Council acts, they will submit the plans to the Senate and House Community and Regional Affairs Committees for their consideration and action.

Enclosures

MEMORANDUM

State of Alaska

TO: Senator Arliss Sturgulewski

DATE: Nov. 26, 1979.

FILE NO:

TELEPHONE NO:

FROM: Murray Walsh, Coordinator
Office of Coastal Management

SUBJECT: Status of Coastal Resource
Service Area Organization

You asked for a status report on the progress of Coastal Resource Service Area (CRSA) organization progress. I am sorry this comes so late, but I hope this memo will still be of some use. For discussion purposes the unorganized area of the state should be divided into three areas: Western Alaska/Aleutian Islands; Prince William Sound; and, Southeast.

Western Alaska/Aleutian Islands

As you may recall, two or more REAAs may be combined by DCRA to form one CRSA. This has occurred twice so far, resulting in seven potential CRSAs in this part of the state. More such consolidations could occur but this is seen as unlikely by most observers. So, by potential CRSA, this is what is happening:

NANA or Kotzebue Region: Both an organization election and a planning board election have been held with affirmative votes in both cases. As of this writing, the planning board has met at least once. Much remains, but grants are now in the works, and the area has been involved already in the "regional strategies" program funded by HUD.

Norton Sound or Nome Region: The first or organization election has been scheduled for late January

AVCP or Bethel Region: Both elections have been successfully held and the planning board has met once or twice. A small grant to develop an extensive work program is pending. Major activity should start in just a few months.

Bristol Bay or Dillingham Region: No elections held or scheduled thus far, but this region contains both the City of Dillingham and the Bristol Bay Borough. Both of these districts are now active in ACMP and are negotiating with DCRA for program development grants.

Aleutian Islands/Lower Alaska Peninsula Region: The Aleutian-Pribilof Islands Association is seeking an education grant from DCRA to begin groundwork for elections.

Adak: Adak is still a separate REAA and so far, there has not been much enthusiasm from any quarter for consolidating Adak with the rest of the Aleutian Chain in a single CRSA. There has been no other activity other than raising the consolidation question well over a year ago.

Pribilof Islands: Basically the same situation as Adak. However, the Aleutian-Pribilofs Islands Association request is apparently aimed at all three areas.

Summary All told, we are fairly optimistic about the Western Alaska/Aleutian region. In fact, I rather think that the unorganized borough provisions in the Alaska Coastal Management Act had this part of the state in mind. Many problems remain, not the least of which is the current five year leasing schedule planned by BLM. This has caused the fear that CRSA planning efforts will come too late to be of much use to the residents. There are a good many other reasons for engaging in coastal planning and we hope to emphasize these as well as seek delays in the sales, and a speed-up of organizational and planning efforts.

Prince William Sound

While we have had some inquiries from residents of this area, I do not anticipate much effort toward forming a CRSA. Apart from a very few people who live in small settlements, most of the residents live in Cordova, Valdez and Whittier. Cordova and Valdez have active coastal programs now underway. Cordova's should be done in a few more months. Whittier is negotiating for a program development grant. About the only reason for creating a CRSA in Prince William Sound would be if the three cities wanted to get together and create a regional plan for the area. This can be done because a city may choose to include itself within an REAA for the purpose of developing a coastal program. Such an event would be a deviation, I think, from the original purpose of the CRSA provisions in the coastal Act, but not necessarily a bad idea.

Southeast Alaska

Here too, we have had inquiries but no substantive action. Southeast is not at all well suited to the CRSA format because of the extensive waterways and other separations between groups. Southeast has three REAAs: the entire northern half; the Southern half; and a part of the southern for the the Annette Islands Indian Reserve. Much more sensible planning units would be whole islands or other geographic features rather than the rather huge regions that are now available. It was for this reason that OCM and the Coastal Policy Council sought an amendment to the coastal Act that would have allowed less-than-REAA-sized CRSAs last year. As well, most Southeast residents already live in first or second class cities or boroughs and can develop programs through the normal method. A number of the second class cities are so small that this will be difficult, but the means are available if the locality is sufficiently interested. In a number of cases as well, there are no burning issues or fearful trends that could stimulate a demand for a local coastal program, and so we tend to concentrate our efforts where problems exist or are pending.

I hope this memo provides you with the information you need. Please do not hesitate to contact me again if you need more details. Thank you for your interest in ACMP.

[illegible]

ANNETTE IS-
INDIAN RE-
SERVE

APPENDIX A

SCOPE OF SERVICES

Background

The Alaska State Legislature, acting on a request from the people of the Yukon Flats region, has directed that a study be carried out to explore the feasibility of establishing a regional government in that area. The Alaska Department of Community and Regional Affairs, in concert with an Advisory Committee from the region, have designed this scope of services to undertake the feasibility study.

With minor exception, the formation of borough governments in Alaska has proven to be a highly controversial matter subject to wide-ranging local opinion. The state legislature forced the incorporation of eight of Alaska's eleven boroughs after local initiative in support of the idea failed to materialize. Further, one of the remaining three boroughs was incorporated only after the legislature passed special legislation diluting borough mandatory responsibilities.

While many factors contributed to these circumstances, it has been generally agreed that opposition to the formation of borough governments resulted from a feeling that the addition of a new level of government would bring unwarranted new controls and taxes to areas that were already receiving basic educational and other public services - at no additional cost - from the state. In recent years this situation appears to have been further compounded by legislation creating regional education attendance areas (REAA's) outside of organized boroughs. Now residents of these REAA's have complete management authority in the control of their school districts with the state paying the cost of providing basic educational services.

Given this history and the current public sentiments regarding local government taxation, there can be little doubt that the question of a Yukon Flats Borough will be closely scrutinized by residents of the area. If such examination and a final decision are to be made in an intelligent manner, a comprehensive and concise explanation of the advantages and disadvantages of having a borough government must be set forth.

Products

The product will present findings with respect to: alternatives available in borough incorporation; advantages and disadvantages of borough incorporation; and the legal, political, social and financial ramifications of borough incorporation. The study will be presented in a fashion that will be useful to both residents of the study area and the Local Boundary Commission.

Each element described below will be published and released as a separate paper. Ultimately, the individual papers would be combined into a single report, but the purpose in producing a series of individual papers serves to:

- ° Lead to a clearer understanding of the subject matter as it is more likely people will give closer attention to the details of a series of small reports than they would to one large report;
- ° Provide a more rational basis for debate as it will be easier to keep the different issues separated for discussion purposes;
- ° Streamline the study process as the review and debate of one element can be taking place while another is being prepared;
- ° Have subsequent use to other areas of the state which may consider the formation of a borough.

The narrative will be supported by the production and use of a number of tables and charts. Such public education tools support the intention of simplifying the subject matter as much as possible.

Work Program

The scope of work to be completed in this project will be developed in seven phases - one phase for each of the individual reports, as explained in the following paragraphs:

1) Local Government Options: This phase of the work program will set forth a comparative analysis of the home rule and general law borough governments that can be incorporated in the state. Drawing principally from the State Constitution, the Alaska Municipal Code (Title 29) and related case law; home rule, first class, second class and third class borough governments will be compared with respect to:

- ° Classification differences;
- ° Methods and procedures for incorporation;
- ° Mandatory areawide powers and duties;
- ° Powers and duties outside of cities (non-areawide powers);
- ° The assumption of additional areawide and non-areawide powers;
- ° The provision of services on less than an areawide or non-areawide basis;

- ° The construction of powers; and
- ° Legislative and executive organizational alternatives, with special emphasis placed on the question of assembly composition as it would relate to individual village representation.

This segment of the study effort will also:

- ° Define those powers available to all municipal governments in the state;
- ° Examine the impact a borough government would have on the existing REAA.

Certain portions of this work will be developed in narrative form. However, the comparative analysis suggested in the first part of this study element will be developed in chart, tabular or graphic form, for purposes of simplifying the presentation of differences and comparisons.

Darbyshire & Associates and the firm of Gallagher, Cranston & Snow will be responsible for completing this work element. Estimated manpower requirements are 15 man-days.

2) Standards for Incorporation: Both Alaska's Constitution and statutory laws speak of the definition of a borough's boundaries. While such limitations are brief and general, both the Local Boundary Commission and the courts look to these standards in determining the legitimacy of a borough.

This segment of the study will therefore focus its attention on the provisions of Article X of the State Constitution (Local Government) and Alaska Statutes, Chapter 18 (Incorporation) as they apply to the subject area. More specifically:

- ° Findings in Mobil Oil v. North Slope Borough (the State Supreme Court decision sustaining the incorporation of the North Slope Borough) will be analyzed.
- ° REAA 13 -- with special attention to the area located between the Yukon River and the Fairbanks North Star Borough -- will be analyzed to see how it conforms to the required standards.
- ° REAA's 12 and 16 will be examined with respect to their comparability to REAA 13 in the question of meeting required standards for incorporation and their ultimate place in the scheme of local government for Alaska.

Darbyshire & Associates and Gallagher, Cranston & Snow will be responsible for completing this work element.

Estimated manpower requirements for completing this work are 5 man-days.

3) Reconnaissance. This segment of the work program will be concerned with the collection and analysis of data affecting the operations, costing and financial aspects of the borough. In particular, this element of the study will be concerned with:

- ° Developing population and school enrollment estimates as they affect:
 - federal and state revenue sharing and education funding programs.
 - borough limitations in levying taxes per AS 43.56 and AS 29.53.
 - state financial assistance in organizing a new borough government ("organizational grants")
- ° The identification of local desired governmental service priorities;
- ° Inventorying land status of the area as it affects:
 - municipal land selection rights
 - federal in lieu of property tax grants to the new borough
- ° An inventory of existing governmental services as they would affect the borough's assumption, costing and financing of such powers;
- ° An inventory and analysis of existing and projected public facilities requirements;
- ° Developing estimates of existing and anticipated borough real and personal property tax bases that could be used to generate local tax revenues; and
- ° Assessing sales and use tax potentials.

Consultants can be very helpful in providing assistance in exploring issues and suggesting alternative policy choices and management options for the solution of problems. Consultants' recommendations on public policy, however, should not replace the opinions of local residents. Accordingly, it is anticipated that the Study Committee will set priorities with respect to the public services they might like to see. The consultants will delineate the options available, but the final decision will be up to the Committee.

The completion of this work element is expected to require 23 man-days effort. Darbyshire & Associates will have responsibility for completing the population, school enrollment, land status, and governmental service facility inventories. Mr. James McHale will complete the borough real and personal property tax inventories and Mr. Jack Hayward will inventory the situation with regard to REAA 13 operations and facilities.

4) Borough Service Cost Estimates. This segment of the work program will be devoted to the calculation of estimated start up and continuing operational costs for the proposed borough. It is these costs which will ultimately affect local tax levies and, thus, the decision on which powers a new borough might exercise, if it is to be incorporated at all.

The first thing that will be accomplished is the costing of the following mandatory borough responsibilities and associated administrative requirements:

- ° Chief executive organizational and operational responsibilities and associated financial and legal assistance;
- ° Legislative organization and operations including the assembly and clerk;
- ° Elections;
- ° Tax assessment and collection requirements;
- ° Education;
- ° Planning, zoning and platting.

Next cost estimates will be developed for the additional government services the Committee proposes. This should include, but not necessarily be limited to, such things as:

- ° Public safety;
- ° Utilities;
- ° Solid waste;
- ° Water and sewer;
- ° Roads;
- ° Airports;
- ° Public health

The calculation of the legislative and administrative functions of government will be premised on the team's experience in organizing and administering such programs for other local government units. Thus, the team members of Darbyshire and Associates will develop the cost estimates associated with the chief executive's responsibilities as well as those for legislative elections and planning functions. James McHale will develop the cost estimates for tax assessment and collection responsibilities and Jack Hayward will concern himself with the figures for anticipated legal activities and Main Lafrentz will develop cost estimates for the financial accounting activities of the proposed borough. The costing for the additional service functions proposed by the Study Committee will be premised upon the experiences of other local governments in Alaska and be developed by Darbyshire & Associates. This work element is expected to consume 25 man-days effort.

5) Potential Revenue Sources. This segment of the work program will examine the potential sources of revenue the proposed borough could use to finance its organization and operation. This will include:

- ° A description of the many different sources of revenue available;
- ° What, if any, restrictions exist with respect to the use of such sources;
- ° The potential amounts each source could generate;
- ° Projections as to amounts that might be available in the future; and
- ° The pros and cons of particular revenue sources (e.g. personal property taxes, sales and use taxes, etc.)

This section will also analyze tax limitations per AS 43.56 and AS 29.53 and relate these to the findings of the recent Supreme Court North Slope Borough v. Sohio, et al. case.

The sources of revenue to be considered will include, but not necessarily be limited to:

- ° State organization grants and transitional assistance;
- ° Real and personal property taxation;
- ° Sales and use taxes;
- ° Governmental charges for services;

- ° The use of money and property;
- ° Licenses and permits;
- ° Intergovernmental revenues such as:
 - Business licenses.
 - Tobacco tax
 - Federal land entitlement
 - Shared revenues (federal and state)
 - Local Service roads
 - School foundation support (regular and vocational)
 - Transportation (state)
 - School foundation (special education)
 - State tuition (mini 874)
 - Elementary and secondary education (federal)
 - Bilingual and Bicultural Education (title VII)
 - Federal aid (PL874)
 - Elementary/Secondary Education (title I - VI)
 - Indian education aid
 - School lunch program

It is estimated that approximately 16 man-days effort will go into the completion of this element. Main Lafrentz will have prime responsibility for the completion of this work although Darbyshire & Associates will assist in the legal case review.

6) Implications for Regional Self-Determination and Local Control Issues. In this phase, an analysis of a number of issues concerning local self-determination and the relationship of a borough or other levels of government will be presented. The issues to be examined will include, but not necessarily be limited, to:

- ° Municipal land selections under the municipal land entitlement act;

- ° The division of authority between a new borough, various state and federal agencies and the City of Fort Yukon;
- ° Control over land and resource use inside a new borough, fish and wildlife management, D-2 proposals, etc.;
- ° Provision of public services that are or may be provided by non-governmental organizations such as the Tanana Chiefs Conference, Interior Village Association, and so on; and
- ° The role of a borough as a direct or indirect source of employment in the region.

Special emphasis will be placed on the analysis of a borough's ability and limitations to further local influence over factors affecting the region.

This analysis will be completed by Darbyshire & Associates. Some of the issues may initially be treated in other sections of the report, but the major analysis of factors surrounding each issue will be presented in this section. Sources of information will include printed materials and discussions with representatives of both governmental and non-governmental agencies to augment the experience of Darbyshire & Associates staff.

This work element will require 7 man-days effort.

7) Feasibility and Viability of Regional Government Alternatives. This concluding element of the study will combine the findings of the previous sections into an analysis of the feasibility and viability of specific alternative borough government structures. Each type of borough (first, second, and third class) will be examined with respect to its cost/revenue requirements for the support of the basic mandatory responsibilities. In turn, the cost/revenue implications of additional services will be calculated into the mix. This syntheses and calculation will thus provide a specific and detailed financial comparison of the numerous governmental choices available, including the alternative of not forming a borough at all.

The lump-sum costs of the different combinations and levels of services developed above will provide an indication of the funding required for each service, as well as total operating and debt service costs for a borough. This data can be considered as the basis of a very general "budget" for that specific type of borough. When final decisions are made with respect to revenue sources and a service mix, it would be a simple task to accumulate the necessary data into a detailed borough budget.

This segment of the work program will also identify and exemplify what "typical" resident homeowners might have to pay in taxes to support the alternative borough structures. It is, after all, these costs that will have the most significant impact on the final decision on incorporation.

While the entire team will participate in the completion of this element, Darbyshire & Associates and Main Lafrentz will assume the principal responsibilities. It is estimated approximately 34 man-days will be required to complete this element.

Field Work

A meeting will be scheduled in Fort Yukon or Fairbanks for the purpose of explaining the scope and nature of the entire project to the Study Committee. This will be attended by the consultant together with departmental representatives, and should occur following completion and review of the first two study papers.

Prior to the study's conclusion, the consultant should expect to travel to each village in the region to present and explain the reports. These visits also will be made with departmental representatives.

Additional travel to the region may be required.

Project Schedule.

The project will require approximately 125 man-days effort over a period of six months. As shown by the scheduling chart, project completion should occur well before the June 30, 1979, deadline.

All Written products will first be submitted by the contractor to the Department for review. The Department will respond to all draft materials within 10 working days. After amending draft materials, a clean proof copy shall be submitted.

The final phase will be submitted to the Department no later than June 1, 1979.

Budget.

The total consultant budget of \$40,000 includes the following estimated allocation by work element:

Local Options	\$ 4,800
Standards for Incorporation	1,920

Reconnaissance	7,360
Borough Service Cost Estimate	8,000
Potential Revenue Sources	4,800
Self-Determination and Local Control	2,240
Feasibility and Viability of Regional Alternatives	<u>10,880</u>
Total	\$40,000

Other budget elements not within the scope of this work program include:

Travel and Per Diem

to be covered by the
Department of Community
and Regional Affairs

Printing

Covers: To be printed by the contractor and shall contain title, date of publication and appropriate credits.

Cover credits shall consist of the following: "This document was produced by Darbyshire & Associates under contract by the Department of Community and Regional Affairs as mandated by the Alaska Legislature and at the request of residents of the Yukon Flats Region."

Text: To be printed by Department of Community and Regional Affairs

YUKON FLATS BOROUGH FEASIBILITY STUDY

PROJECT SCHEDULE

<u>Work Program</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Local Government Options	_____ *						
Standards for Incorporation	_____ *						
Reconnaissance		_____ *					
Borough Service Cost Estimates			_____ *				
Potential Revenue Surces				_____ *			
Self-Determination and							
Local control					_____ *		
Feasibility and Viability of Regional Alternatives						_____ *	
Field Work		_____					_____
Reports *							

SPECIFICATIONS

Under the terms of this agreement, the Servicing Agency has the same responsibilities for proper and efficient fiscal and project management as that required of the Division of Policy Development and Planning (lead agency for CZM) by the Office of Coastal Zone Management, Department of Commerce. These requirements are contained in the "Grants Management Manual for Grants Under the CZM Act" and are included in those listed below. The Servicing Agency may obtain a copy of this manual from the Division upon request.

A. Product Specifications

1. The results or summary of results of all activities conducted under the terms of this agreement must be documented in written form and be submitted to the Division by 20 days after the close of the grant year.
2. The Servicing Agency will submit to the Division twenty-seven copies of written products; unless document does not require state library submittal, in which case, the Servicing Agency will submit seven copies. Twenty copies will then be forwarded to the state library to meet state information requirements. The other seven copies will be used by OCM. Printed text documents shall be reproducible by normal copying procedures. For all maps, graphs and tables, at least one set reproducible masters shall be submitted to the Division. Servicing agency may make arrangements with OCM/DPDP to submit seven copies of products to OCM and then submit twenty copies directly to the state library.
3. Written products, (elements, summaries, guides, map text, etc.) submitted to the Division under this agreement shall be in clear, non-technical English for easy public understanding. A short glossary of necessary technical terms shall be provided. Where applicable, an index to localities, species, processes shall be included. When necessary, the Division shall edit for clarity and conciseness, subject to review by the servicing agency to avoid meaning changes.
4. Graphics (maps, illustrations, graphs and tables) shall be submitted at 11" x 17" or smaller (letter size when possible), or reducible to 11" x 17" with easy legibility. Graphics shall be labeled and designed for quick, easy understanding. Letter size, line width and color, and symbols shall be chosen for legibility at this size and for reproduction by blueline or xerox process. All graphics shall include one transparent reproducible and 27 paper-copies where feasible (at least eleven paper copies shall be provided) if state library submittal is required. If state library submittal is not required one reproducible set and seven paper copies are required.

5. The Division and the Federal Office of Coastal Zone Management reserve a royalty-free, non-exclusive, and irrevocable license to reproduce, use and distribute the written product(s) resulting from this agreement to the full extent of the Servicing Agency's right to do so.
6. The Servicing Agency is authorized to publish the results of the work performed under the terms of this agreement, provided that such publication shall not indicate endorsement by the Division or the Federal government of findings, conclusions, or recommendations contained within the publication. All written products and graphic shall bear the following credit:

"This project was supported, in part, by Federal Coastal Zone Management Program Implementation Funds (P.L. 92-583, Sec. 305) granted to the State of Alaska by the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce."

7. The signer of this Reimbursable Service Agreement will be responsible for ensuring that all specifications listed in this attachment are met to the satisfaction of OCM.

B. Subcontracting Specifications

1. If this agreement includes funding in Object Code 300 (Contractual Services), the Servicing Agency will include in all contracts, where applicable, the same specifications listed in Part A and Part G 6-7 of this agreement.
2. All contracts in excess of \$1,000.00 to be let by the Servicing Agency under the terms of this agreement shall be approved by the Division prior to finalization.

C. Quarterly Progress Reports

1. Quarterly progress reports shall be submitted to the Division.
2. Reports will be on an accrued basis of cumulative activity, with particular detail for the preceding quarter's activities.
3. Reports shall include:
 - a. percent project completion with listing of completed portions, phases, geographic areas, etc. (% project completion should approximate the % of expended funds identified in the accompanying financial report);
 - b. a broad description of activities to be completed in the forthcoming quarter;
 - c. problems which have arisen or may arise which could interfere with meeting project time deadlines

or budget ceilings, or in fulfilling all objectives, product components, and other terms specified in this agreement. If such problems are identified, means for their resolution should be suggested;

- d. suggestions (if any) for furthering coordination and productive output of any of the elements contributing to the total effort of developing a coastal management program; and
- e. requests for amending/clarifying the terms of the existing agreement.

- 4. The report submitted 20 days after the close of the grant year shall represent the final report, unless otherwise notified by the Division. The final report should demonstrate 100% project completion and completion of all components under the terms of this agreement.

D. Quarterly Financial Reports

- 1. The Servicing Agency agrees to utilize adequate accounting procedures to facilitate complete, correct, and prompt quarterly financial reporting to the Division, and to facilitate full and expedient auditing of transferred funds and state matching contributions.
- 2. Quarterly financial reports shall be submitted 20 days after the end of each quarter.
- 3. Financial reports shall be on an accrued basis. Narration should be attached which details the amount and recipient of funds constituting "Consultants and Contract Service" for all obligations of \$200.00 or more.
- 4. The final report must indicate the final amount of unobligated transferred funds (if any) and must account for at least as much non-federal matching contribution as indicated in this agreement.
- 5. Non-federal funds used as match contribution for the transferred funds shall be identified and supported by documents and records, just as the transferred funds must be documented. To qualify as allowable match contribution, matching funds must:
 - a. be "direct costs" which are identifiable from the records of the Servicing Agency;
 - b. not be included as contributions for any other federally-assisted program or any federal contract;
 - c. not be borne by the Federal government; directly or indirectly under any Federal grant or contract;
 - d. be necessary and reasonable for proper and efficient accomplishment of project objectives stated in this agreement; and
 - e. not include equipment costs (commodities are valid).

For further detail of allowable match costs, the Division will supply the Servicing Agency, upon request with federal Circular No. 87, "Principles for Determining Costs Applicable to Grants and Contracts with State and Local Governments;" and will check with the Federal Office of Coastal Zone Management for specific approval in cases of uncertainty.

E. Quarterly Billing Procedures

1. The Servicing Agency will bill the Division for expenditures on a quarterly basis, at the same time as quarterly financial reports are submitted. When the final reports are submitted, the Servicing Agency must bill for all unexpended encumbrances as well as expenditures.
2. Payment by the Division will be made subject to future reimbursement to cover charged amounts found by the audit to be non-allowable expenses.
3. As part of the Reimbursable Service Agreement, the Servicing Agency is required to estimate quarterly expenditures. These estimates shall cover all quarters of the grant year and shall be broken down by object code as close as practicable to the anticipated expenditures. Within twenty days after the end of each fiscal year quarter, they shall submit the quarterly financial report together with the billing document to OCM. To the extent that the Servicing Agency's billings to the Office of Coastal Management fall short of quarterly estimates, OCM reserves the right to reduce its encumbrance by the amount of shortfall. The Servicing Agency agrees to submit journal vouchers to Budget and Management reducing authorizations to spend and receive by a like amount. If the agency deems the reduction inappropriate, a justification for retaining the funds will be sent to OCM for reconsideration. OCM will notify the agency of its determination within one week of receipt of the objection.

F. Auditing

1. The Servicing Agency agrees that duly authorized representatives of the U.S. Comptroller General, U.S. Secretary of Commerce, or the Division shall have access to and the right to examine any books, documents, papers, and records of the Servicing Agency and sub-contractors of the Servicing Agency which involve transactions related to this agreement.
2. This right to examine and audit financial and project records extends from the initiation of this agreement to three years following the agreement's termination date. During this period, all relevant documents must be maintained by the Servicing Agency or State Archive.

G. Miscellaneous Specifications

1. Amending of Contract. The Servicing Agency will abide by the terms of this agreement and will promptly notify the Division of any needed changes or clarifications.
2. Contract Administration. The Division reserves the right and holds

obligation to provide for monitoring of the progress of this agreement. The Servicing Agency must reserve the right and hold the obligation to provide for monitoring of the progress of any subcontracts emanating from the terms of this agreement.

3. Termination of Contract. The Division may terminate this contract, in whole or in part, when it is in the best interest of the state by giving written notice at least 14 days prior to the effective day of such termination. In such event, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, and reports or other materials prepared by the Servicing Agency under this Agreement shall, at the option of the Division become its property, and the Servicing Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials.

Notwithstanding the above, the Servicing Agency shall not be relieved of any liability to the Division for damages sustained by the Division by virtue of any breach of the Agreement by the Servicing Agency and the Division may withhold any payments to the Servicing Agency until such time as the exact amount of damages due to the Division from the Servicing Agency is determined.

4. Proposals for Additional Services. If the Servicing Agency determines that supplementary activities to the existing agreement would further the objectives of this agreement and the development of a coastal management program, and if transferred funds would be necessary for their accomplishment, the Servicing Agency should submit a proposal for such activity and funding prior to the expiration of the sixth month of the grant year. This proposal should distinctly cover the remaining period of the grant year.
5. Irregularities in Grant or Match Expenditures. The Servicing Agency should notify the Division of any changes or clarifications in the match contributions as set forth in this agreement as soon as such changes become known to the agency.
6. Nondiscrimination. The Servicing Agency assures that the program supported by the transferred funds will be conducted in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-4) and the requirements imposed by the Regulations of the Department of Commerce (30 F.R. 305, 15 CFR Part 8) issued pursuant to that Title, applicable and appropriate to the program.
7. Officials not to Benefit. No member of, or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of these transferred funds, or to any benefit that may arise therefrom.
8. Period for Claiming Match. The matching values that must be accrued by the Servicing Agency must be values that were established (i.e., salaries, benefits, etc.) during the period of this agreement.
9. Time Sheets. Staff of the Servicing Agency receiving pay from funds from this agreement shall maintain monthly time sheets which shall be approved by the employee's supervisor and shall include the collocation code to which the time is charged.

Definition of Terms

"Servicing Agency": The agency providing the services herein described.

"Grant Funds": These are funds provided by the Federal Government for the Alaska Coastal Management Program. This money will be paid to the Servicing Agency in the amounts indicated.

"Match Funds": These are funds or values provided by the Servicing Agency itself. Such funds must be provided in at least the value shown in the body of the agreement. The matching funds shall be reported by the Servicing Agency on the forms provided along with the claims for grant funds which also appear on the forms. Only the value of salaries, benefits, travel contractor fees, and supervision may be claimed as match. Performance reports must show matching values as well as work performed with grant funds.

"Division": Refers to the Division of Policy Development and Planning, Office of the Governor.

STATE
of ALASKA*MEMORANDUM*

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: ☐Murray Walsh
Coordinator, Office of
Coastal Management
Office of the Governor

DATE:

August 28, 1979

FILE NO:

TELEPHONE NO:

FROM:

Lawrence H. Kimball, Jr.
Director
Division of Community Planning

SUBJECT:

Amendment to RSA.

Attached is a proposed amendment to this Department's FY 1980 ACMP RSA. The amendment concerns the "Study of Options for Managing Coastal Resources in the Unorganized Borough."

LHKjr:am
Attachment

ACMP RSA: STUDY OF OPTIONS FOR MANAGING COASTAL
RESOURCES IN THE UNORGANIZED BOROUGH

BACKGROUND

Unorganized Borough Defined

The Alaska Constitution mandates that the entire State be divided into boroughs, organized and unorganized. A borough is a regional government similar to a county or township. An unorganized borough is an area outside the boundaries of a borough incorporated under State law.

Geographic Extent

Nearly 435,000 square miles, 75 percent of Alaska's total land area, lies within the unorganized borough. Except for Bristol Bay Borough (1,200 square miles), and part of the North Slope Borough, the entire west coast of the State is in the unorganized borough. Two other coastal areas have large stretches of unincorporated areas. These are Prince William Sound and Southeast Alaska.

Population

The unorganized borough is sparsely populated. Rough estimates indicate a civilian population of approximately 10,000 in areas outside an organized city or borough. In addition, approximately 60,000 persons live in the 116 incorporated cities which lie outside boroughs. Only 11 of these 116 cities have populations over 1,000 and few exercise municipal planning powers.

Importance of Planning and Management in the Unorganized Borough

Though sparsely populated, the unorganized borough warrants greater attention to planning and management of coastal resources for the following reasons: (1) major resource development is either under way in the unorganized borough or contemplated the future, (2) subsistence is a valued and irreplaceable way of life for many residents of the unorganized borough, (3) land ownership patterns are changing with millions of acres of federally owned land passing into private, State, or municipal ownership, and (4) provision of public services in the unorganized borough entails massive public investment and extraordinary logistical efforts.

Among the principal resource developments (existing and proposed) in the unorganized borough are: (1) logging (Chugach and Tongass National Forests and former federally owned forest land to be conveyed to Native corporations), (2) mining (Borax molybdenum mine near Ketchikan, Noranda mining operations on Admiralty Island, Inspiration Mining Company's operation on Chichagof Island, and placer mining on Seward Peninsula and the Norton Sound area), (3) fisheries (expansion of salmon catch, expansion into bottomfisheries in the Aleutian Islands and elsewhere), and (4) energy development (OCS lease sales scheduled for Norton Sound and Bristol Bay).

Legal Context

Article X of the Alaska Constitution addresses local government.

Pertinent sections from that article are the following:

SECTION 1. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and

to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

SECTION 2. All local government powers shall be vested in boroughs and cities only.

SECTION 6. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Title 29, Chapter 03, of the Alaska Statutes, pertains to the unorganized borough. In addition to defining the unorganized borough, that Chapter describes service areas as a means of providing services in the unorganized borough.

Sec. 29.03.020. Service areas. Allowing for maximum local participation, the legislature may establish, alter, or abolish service areas within the unorganized borough to provide special services, which may include but are not limited to schools, utilities, land use regulations and fire protection. A new service area may not be established if the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. (§2 ch 118 SLA 1972)

Under Title 29, first-class and home-rule cities in the unorganized borough must exercise planning powers and second-class cities are authorized but not required to do so.

In 1975, the State Legislature enacted legislation important to provision of services in the unorganized borough. Pertinent excerpts from Chapter 124, Session Laws of Alaska 1975, are the following:

Sec. 14.08.021. Authority. The legislature delegates to school boards for each regional educational attendance area the authority to operate the public schools in those areas in accordance with the provisions of this chapter, subject to the provisions of this title and the regulations promulgated under it that apply to all school districts in the state.

Sec. 14.08.031. Regional Educational Attendance Areas.

(a) The Department of Community and Regional Affairs in consultation with the Department of Education and local communities shall divide the unorganized borough into educational service areas using the boundaries or subboundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or subboundaries of another regional corporation.

(b) An educational service area established in the unorganized borough under (a) of this section constitutes a regional educational

attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate the administration of education and communications between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.

Sec. 14.12.020(c). The legislature shall provide the state money necessary to maintain and operate the regional educational attendance areas. The borough assembly for a borough school district, and the city council for a city school district, shall provide the money which must be raised from local sources to maintain and operate the district.

Criteria specified for delineating boundaries of the regional educational attendance areas are similar to standards for incorporating an organized borough but do not include the following incorporation standard:

Sec. 29.18.030. (3) the economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the

proposed borough;

The Alaska Coastal Management Act used the regional educational attendance area as the basic unit for developing district coastal management programs in the unorganized borough. Residents of regional educational attendance areas may organize a coastal resource service area to develop a program which State agencies will implement.

During the 1979 State legislative session, a bill was introduced which included a provision to allow formation of coastal resource areas in areas smaller than a regional educational attendance area. The provision was deleted from the bill.

Issues

Two regions in the unorganized borough have already organized into coastal resource service areas according to procedures outlined in the Alaska Coastal Management Act and associated regulations. Both regions are predominantly Native and are served by organized Native non-profit organizations which served as catalysts in organizing the service area. Such favorable conditions are not found in all the remaining regional educational attendance areas. Unorganized areas in the Aleutian Islands, Prince William Sound, and Southeast Alaska have a sizeable non-Native population and in the latter two vast stretches of federal land holdings separate State and private land, which will be most directly affected by coastal management programs developed for the unorganized borough.

Although organization of coastal resource service areas in the Northwest

Alaska (NANA) region and the Yukon/Kuskokwim Delta region have commenced, concerns about subsequent stages in program development and implementation for these service areas and organizational problems expected in other parts of the unorganized borough have prompted the Department of Community and Regional Affairs to propose the work program described in the following section.

WORK PROGRAM

Purpose

The purpose of the proposed study is to examine options now available or possible, with certain legislative changes, to effectively plan for and manage coastal resources in the unorganized borough.

Products

There will be four products from this study:

1. A technical report summarizing the study methodology, key findings of a literature search, the identification and analysis of options, and results of public involvement activities.
2. Legislative recommendations, if any, described in sufficient detail to enable the Governor's Office to assess their value and draft appropriate legislation if desired.
3. Recommendations to the Administration on administrative changes which could improve management of coastal resources in the unorganized

borough.

4. A brief written document informing coastal service area board members of mechanisms available to manage coastal resources in the unorganized borough.

Study Approach

I. Perspective

The first step in the proposed study would be to provide perspective on the unorganized borough in general and organizational aspects of service delivery in particular. Key person interviews and case studies will be primary information sources for this part of the study. The interviews will be supported by a literature search and data gathering from secondary sources.

Specific questions to be addressed include the following:

- A. Who lives in the unorganized borough and why?
- B. What economic activities (market and non-market) provide sources of livelihood to residents of the unorganized borough?
- C. How are coastal resources now managed and by whom? What difficulties or inefficiencies are encountered?
- D. How are "local" decisions made?
- E. What has been the history of local government in the unorganized borough, i.e., why have certain communities in the unorganized borough

incorporated, which settlements or regions have attempted incorporation and failed (or considered it and then rejected it) and why, how effective have incorporated cities in the unorganized borough been and what has contributed to their success or failure?

F. How effective have the regional educational attendance areas and other service delivery mechanisms been and what problems have they encountered?

G. What trends are anticipated in any of the factors addressed above?

II. Identification of Planning and Management Options

The second element in the study will identify planning and management options now available to the unorganized borough, or possible with certain legislative changes. Options will be identified through a literature search, supported by key person interviews. In addition to the Alaska Statutes, sources to be tapped include literature and pertinent expertise on Maine (which has a relatively large unorganized area) and Canada (especially its management system in territories), and prominent public affairs research institutions throughout the country.

Planning options to be considered include organizational alternatives to the service area concept described in the Alaska Coastal Management Act. Management options include concrete mechanisms whereby a district program developed by a coastal resource service area board or other planning organization could be implemented.

III. Evaluation of Planning and Management Options

Planning and management options would be evaluated against the following criteria:

- A. Costs and Incidence of Costs: There will be costs associated with any planning or management options. It is important that the total costs be assessed for each alternative; it is equally important to identify all entities directly and indirectly absorbing the costs.
- B. Availability of Funds: One elementary requirement for any successful planning effort is financial resources; the funds may come from grants, tax revenues, revenue sharing, or some other source, but they must be available for both the development and implementation of a plan. All alternatives should be evaluated for the availability of funds for all stages of the planning program.
- C. Availability of Staff: In line with funds, planning efforts will need and must have easy and continual access to capable staff for both plan development and implementation tasks.
- D. Existing or Politically Feasible Mandates: The viability of a planning structure or program for Alaska's unorganized borough is largely dependent upon a mandate for that planning program. A mandate may occur in a number of ways: a legislative act, an administrative act of the Governor, public referendum or local election, or through a State agency program or regulation.

E. Public Acceptability: Akin to political feasibility is the need for public acceptability of a planning or management option. A planning program is not viable unless it is acceptable to the involved and affected citizens, particularly if the structure or program depends upon formal (electoral) approval of the people.

Assessing the public acceptability of planning and management alternatives could be accomplished through an opinion survey of residents and public leaders in the unorganized borough and of various State leaders. A case study of public reactions in the past to proposed planning structures and programs might be another means of determining public acceptability.

F. Quality of Service Delivery: This is a multi-faceted criterion by which alternative planning structures and programs are to be evaluated. The quality of service delivery depend on a number of things, many of which are included in the other criteria. The objective, however, is not to repeat previous analyses, but to consider whether or not the planning alternatives are based upon "logical" planning units and how they will affect other public services and service areas.

For an unorganized borough, public services such as schools, utilities, and fire protection are usually provided on a service area basis, and individual service areas are established to provide specific services. As the rationale and purpose of the service areas vary, generally, so do their boundaries and jurisdiction.

In identifying and evaluating possible planning structures for an

unorganized borough, it is important to consider the logic and efficiency of the unit or area of service. The rationale for and the boundaries of existing service areas may not be appropriate for the delivery of planning services. Geographic features (e.g., mountain ranges, rivers, watersheds), for instance, may be more important than regional corporation boundaries or cultural features for defining a planning area.

On the other hand, before proposing a new service system and area, it is important to consider its effect on existing service areas. Is the planning unit going to compete with, overlap, confuse, or fragment the functioning of and services provided by other resource service areas in a region?

G. Implementation Authority (planning options only): In almost all cases, a plan is only as good as its implementation. Therefore, an effective planning structure or organization must have appropriate implementation authorities and powers.

SCHEDULE

	1979						1980					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
I. Perspective	/-----/											
II. Identification	/-----/											
of Planning and												
Management Options												

1979

1980

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

III. Evaluation of

/-----/

Planning and Manage-
ment Options

IV. Preparation of

/-----/

Products (technical
report, legislative and
administrative recommen-
dations, technical
assistance document)

BUDGET

	<u>Federal Share</u>	<u>State Share</u>	<u>Total</u>
Personal services	\$ 32,800.00	\$ 8,200.00	\$ 41,000.00
Travel and per diem	3,200.00	800.00	4,000.00
Contractual	40,400.00	10,100.00	50,500.00
Commodities	160.00	40.00	200.00
Equipment	<u>640.00</u>	<u>160.00</u>	<u>800.00</u>
Total	\$77,200.00	\$19,300.00	\$96,500.00

The proposed budget would fund 6 person-months of a Planner IV position (range 19), 6 person-months of a Planner III position, and 4 person-months of a Clerk Typist III position. The Planner IV assigned to this study has an educational background and professional experience in

public administration and planning and the Planner III has extensive practical experience in the unorganized borough.

Contractual services would enable the Division to (1) enter into small contracts with research institutes and/or consulting firms to conduct literature searches and parts of the analysis, especially financial and legal considerations, (2) fund a public involvement component (workshop series and/or survey) and (3) print final products.

RELATIONSHIP TO OTHER STUDIES

During the past year, the State has experienced an upsurge of interest in the unorganized borough. Major projects and their relationships to the study proposed in this reimbursable services agreement (RSA) are described below:

Local Government Study

The standing committees of the House and Senate CRA Committees are conducting a Local Government Study during the interim. According to the committees' June 14 study plan, the product of the study will be a legislative package to be compiled by December. In comparing the Local Government Study schedule with the schedule proposed for this RSA, there are three distinct points at which a constructive exchange could take place:

- X 1. October. The Division could provide the committees with a draft of its narrative providing a perspective on planning and management in the

unorganized borough. This information could be used as background for the local hearings and field visits planned for October. The Division, in turn, would obtain and use proceedings of the committees' August 4-5 symposium, analysis, and regional workshops.

2. December. The Division could provide the committees a preliminary description of planning and management options which would be evaluated later in the study. The Division, in turn, would obtain and use transcripts of the local hearings scheduled for October. (The Division's public involvement program would span a longer period of time and be integrated into other functions such as board meetings of regional non-profit organizations and would occur during the analysis phase, November through April.)

3. November-December. The Division will share with the committee findings of its evaluation of planning and management options. While the Division's evaluation will continue several months into the 1980 legislative session, it is possible that some of its findings would be available to influence the legislative package either before the package is compiled in December or during committee hearings.

Tanana Chiefs Conference Proposal

The Tanana Chiefs Conference has proposed three alternatives for planning in the unorganized borough: (1) planning undertaken directly by a Native non-profit organization, (2) planning undertaken by advisory planning commissions recognized by the State under AS 44.19.880(c), and (3) planning and implementation undertaken by subregional planning commissions the governmental authority of which would be vested in the

Department of Community and Regional Affairs. Legal opinions rendered by the Legislative Affairs Legal Section and forthcoming from the Attorney General's office will be useful in assessing the legality of each option. Furthermore, the Tanana Chiefs Conference project and proposals could serve as a case study to help the Division study team evaluate the three options listed above.

NANA Regional Strategies

In 1978, the Mauneluk Association undertook a three-year project to develop a regional strategy for development of the Northwest Alaska Region. During the second year of this project, efforts will be devoted to exploring concrete mechanisms for implementing such a regional strategy in the unorganized borough.

The study team performing work proposed in this RSA will closely coordinate their efforts with those of the Mauneluk Association. Coordination will occur through the Division staff member assigned to the NANA Regional Strategy Steering Committee.

Division of Policy Development and Planning

The Division of Policy Development and Planning is approaching the unorganized borough in two ways: (1) seeking the Attorney General's advice on the Tanana Chiefs Conference's request to have six subregional planning commissions designated advisory bodies by the Governor, and (2) working with other offices in the Administration to develop rural policy. The Department of Community and Regional Affairs has been and will continue to work closely with the Division of Policy Development and

Planning on both these efforts. Findings of the study proposed in this RSA will be made available to the Division of Policy Development and Planning as expeditiously as possible for use in formulating rural policy.

MJW:am
8-28-79

ACM: KSA: STUDY OF OPTIONS FOR MANAGING COASTAL
RESOURCES IN THE UNORGANIZED BOROUGH

Letter of 11/11

11.5

BACKGROUND

Unorganized Borough Defined

The Alaska Constitution mandates that the entire State be divided into boroughs, organized and unorganized. A borough is a regional government similar to a county or township. The unorganized borough is the area outside the boundaries of ~~a city or~~ ^{to} borough^s incorporated under State law.

Geographic Extent

Nearly 435,000 square miles, or ⁷⁵~~75~~ percent of Alaska's total land area, are in the unorganized borough. Except for Bristol Bay Borough (1,200 square miles), ^{and} part of the North Slope Borough, ~~and a few scattered cities,~~ the entire west coast of the State is in the unorganized borough. Two other coastal areas have large stretches of unincorporated areas. These are Prince William Sound and Southeast Alaska.

Population

The unorganized borough is sparsely populated. Rough estimates indicate a civilian population of only 10,000 in areas outside an organized city or borough. In addition, approximately 60,000 persons live in the 116 incorporated cities which lie outside boroughs. Only 11 of these 116 cities have populations over 1,000 and few exercise municipal planning powers.

Importance of Planning and Management in the Unorganized Borough

Though sparsely populated, the unorganized borough warrants ~~greater~~ ^{particular} attention to planning for and management of coastal resources for at least the following reasons: (1) major resource development is either under way in the unorganized borough or contemplated for the future, (2) subsistence is a valued and irreplaceable way of life for many of the residents of the unorganized borough, (3) land ownership patterns are changing with millions of acres of federally owned land passing into private, State, or municipal ownership, and (4) ^{since} provision of public services in the unorganized borough entails massive public investment and extraordinary logistical efforts, ~~the the most efficient use of resources~~ ^{there is a need to ensure the efficient use of limited resources.}

Among the principal resource developments ^(existing or proposed) in the unorganized borough are: (1) logging (Chugach and Tongass National Forests and former federally owned forest land to be conveyed to Native corporations), (2) mining (Borax molybdenum mine near Ketchikan, Noranda mining operations on Admiralty Island, Inspiration Mining Company's operation on Chichagof Island, and placer mining on Seward Peninsula and the Norton Sound area), (3) fisheries ^(expansion into Bristol Bay) ~~fisheries~~ in the Aleutian Islands, and elsewhere), and (4) energy development (OCS lease sales scheduled for Norton Sound and Bristol Bay).

Legal Context

Article X of the Alaska Constitution addresses local government.

Pertinent sections from that article are the following:

SECTION 1. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal

construction shall be given to the powers of local government units.

SECTION 2. All local government powers shall be vested in boroughs and cities only.

SECTION 6. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Title 29, Chapter 03, of the Alaska Statutes, pertains to the unorganized borough. In addition to defining the unorganized borough, that Chapter describes service areas as a means of providing services in the unorganized borough.

a map of the
Sec. 29.03.020 Service areas. Allowing for maximum local participation, the legislature may establish, alter, or abolish service areas within the unorganized borough to provide special services, which may include but are not limited to schools, utilities, land use regulations and fire protection. A new service area may not be established if the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. (§ 2 ch 118 SLA 1972)

Under Title 29, first-class and home-rule cities in the unorganized borough must exercise planning powers and second-class cities are authorized but not required to do so.

In 1975, the State Legislature enacted legislation important to provision of services in the unorganized borough. Pertinent excerpts from Chapter 124, Session Laws of Alaska 1975, are the following:

Sec. 14.08.021. Authority. The legislature delegates to school boards for each regional educational attendance area the authority to operate the public schools in those areas in accordance with the provisions of this chapter, subject to the provisions of this title and the regulations promulgated under it that apply to all school districts in the state.

Sec. 14.08.031. Regional Educational Attendance Areas.

(a) The Department of Community and Regional Affairs in consultation with the Department of Education and local communities shall divide the unorganized borough into educational service areas using the boundaries or subboundaries of the regional corporations established under the Alaska Native Claims Settlement Act, unless by referendum a community votes to merge with another community contiguous to it but within the boundaries or subboundaries of another regional corporation.

(b) An educational service area established in the unorganized borough under (a) of this section constitutes a regional educational attendance area. As far as practicable, each regional educational attendance area shall contain an integrated socio-economic, linguistically and culturally homogeneous area. In the formation of the regional educational attendance areas, consideration shall be given to the transportation and communication network to facilitate

the administration of education and communications between communities that comprise the area. Whenever possible, municipalities, other governmental or regional corporate entities, drainage basins and other identifiable geographic features shall be used in describing the boundaries of the regional school attendance areas.

Sec. 14.12.020(c). The legislature shall provide the state money necessary to maintain and operate the regional educational attendance areas. The borough assembly for a borough school district, and the city council for a city school district, shall provide the money which must be raised from local sources to maintain and operate the district.

Criteria specified for delineating boundaries of the regional educational attendance areas are similar to standards for incorporating an organized borough but ~~does~~ not include the following incorporation standard:

Sec. 29.18.030. (3) the economy of the area includes the human and financial resources capable of providing local services; evaluation of an area's economy includes land use, property valuations, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

single REAR

The Alaska Coastal Management Act used the regional educational attendance area as the basic unit for developing district coastal management

programs in the unorganized borough. ~~Residents of one or more regional educational attendance areas may organize~~ ^{Residents of} a coastal resource service

The Commissioner of Community and Regional Affairs may combine two or more regional educational attendance areas to provide coastal resource service.

(May organize to
area) to develop a program which State agencies will implement. *(State agency*
planning and management authorities are discussed in
Appendix A.)

During the 1979 State legislative session, a bill was introduced to allow formation of coastal resource areas in areas smaller than a regional educational attendance area. The measure failed.

Issues

Two regions in the unorganized borough have already organized into coastal resource service areas according to procedures outlined in the Alaska Coastal Management Act and associated regulations. Both regions are predominantly Native and are served by ~~well~~ organized Native non-profit organizations which served as catalysts in organizing the service area. Such favorable conditions are not found in all the remaining regional educational attendance areas. Unorganized areas in the Aleutian Islands, Prince William Sound, and Southeast Alaska have a sizeable non-Native population and in the latter two vast stretches of federal land holdings separate State and private land, which will be most directly affected by coastal management programs developed for the unorganized borough.

Although organization of coastal resource service areas in the Northwest Alaska (NANA) region and the Yukon/Kuskokwim Delta region have proceeded smoothly, concerns about subsequent stages in program development and implementation for these service areas and organizational problems expected in other parts of the unorganized borough have prompted the Department of Community and Regional Affairs to propose the work program described in the following section.

WORK PROGRAM

Purpose

The purpose of the proposed study is to examine options now available or possible, with certain legislative changes, to effectively plan for and manage coastal resources in the unorganized borough.

Products

There will be four products from this study:

1. A technical report summarizing the study methodology, key findings of a literature search, the identification and analysis of options, and results of public involvement activities.
2. Legislative recommendations, if any, described in sufficient detail to enable the Governor's Office to assess their value and the Attorney General's office to draft legislation.
3. Recommendations to the Administration on the allocation of human and financial resources in the unorganized borough, administrative changes which could improve management of coastal resources in the unorganized borough, and an agenda for further action on this matter.
4. A brief written document informing coastal service area board members of mechanisms available to manage coastal resources in the unorganized borough.

Study Approach

I. Perspective

The first step in the proposed study would be to provide perspective on the unorganized borough in general and organizational aspects of service delivery in particular. ^{especially those in the unorganized borough} Key person interviews will be the primary information source for this part of the study. The interviews will be supported by a literature search and data gathering from secondary sources.

Specific questions to be addressed include the following:

- A. Who lives in the unorganized borough and why?
- B. What economic activities (market and non-market) provide sources of livelihood to residents of the unorganized borough?
- C. How are coastal resources now managed and by whom? What difficulties or inefficiencies are encountered?
- D. How are "local" decisions made?
- E. What has been the history of local government in the unorganized borough, i.e., why have certain communities in the unorganized borough incorporated, which settlements or regions have attempted incorporation and failed (or considered it and then rejected it) and why, how effective have incorporated cities in the unorganized borough been and what has contributed to their success or failure?
- F. How effective have the regional educational attendance areas and other service delivery mechanisms been and what problems have they encountered?
- G. What trends are anticipated in any of the factors addressed above?

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G.H. What trends are anticipated in any of the factors addressed above?
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PENNAs

II. Identification of Planning and Management Options

The next step in the study will be to identify planning and management options now available to the unorganized borough, or possible with certain legislative changes. Options will be identified through a literature search, supported, if necessary, by key person interviews.

In addition to the Alaska Statutes, sources to be tapped include literature and pertinent expertise on Maine (which has a relatively large unorganized area) and Canada (especially its management system in territories), and prominent public affairs research institutions throughout the country.

Planning options to be considered include organizational alternatives to the service area concept described in the Alaska Coastal Management Act. Management options include concrete mechanisms whereby a district program developed by a coastal resource service area board or other planning organization could be implemented.

A. A tentative list of planning options includes the following:

1. municipal incorporation
2. service areas consisting of one or more regional educational attendance areas
3. service areas consisting of subdivisions within a regional educational attendance area
4. service areas whose boundaries are unrelated to regional educational attendance areas
5. non-profit organizations

6. circuit rider program either independent of or in conjunction with State agencies
7. planning by State and/or federal agencies
8. no local planning

B. A tentative list of management options includes the following:

1. *municipalⁱⁿ corporation*
1. coordination with federal and State programs
2. port authorities in the unorganized borough
3. cooperative agreements among various entities in the unorganized borough (incorporated cities, State and federal agencies, IRA councils, village and regional corporations)
4. no local management

Regional Gov?

III. Evaluation of Planning and Management Options

Planning and management options would be evaluated against the following criteria:

A. Costs and Incidence of Costs: There will be costs associated with any planning or management options. It is important that the total costs be assessed for each alternative; it is equally important to identify all entities directly and indirectly absorbing the costs.

B. Availability of Funds: One elementary requirement for any successful planning effort is financial resources; the funds may come from grants, tax revenues, revenue sharing, or some other source, but they must be available for both the development and implementation of a plan. All

alternatives should be evaluated for the availability of funds for all stages of the planning program.

C. Availability of Staff: In line with funds, planning efforts will need and must have easy and continual access to capable staff for both plan development and implementation tasks.

D. Existing or Politically Feasible Mandates: The viability of a planning structure or program for the Alaska unorganized borough is largely dependent upon a mandate for that planning program. A mandate may occur in a number of ways: a legislative act, an administrative act of the Governor, public referendum or local election, or through a State agency program or regulation.

E. Public Acceptability: Akin to political feasibility is the need for public acceptability of a planning or management option. A planning program is not viable unless it is acceptable to the involved and affected citizens, particularly if the structure or program depends upon formal (electoral) approval of the people.

Assessing the public acceptability of planning and management alternatives could be accomplished through an opinion survey of residents and public leaders in the unorganized borough and of various State leaders. A case study of public reactions in the past to proposed planning structures and programs might be another means of determining public acceptability.

F. Quality of Service Delivery: This is a multi-faceted criterion by which alternative planning structures and programs are to be evaluated.

The quality of service delivery depend on a number of things, many of which are included in the other criteria. The objective, however, is not to repeat previous analyses, but to consider whether or not the planning alternatives are bases upon "logical" planning units and how they will affect the other public services and service areas.

For the unorganized borough, public services such as schools, utilities, and fire protection are usually provided on a service area basis, and individual service areas are established to provide specific services. As the rationale and purpose of the service areas vary, generally, so do their boundaries and jurisdiction.

In identifying and evaluating possible planning structures for the unorganized borough, it is important to consider the logic and effeciency of the unit or area of service. The rationale for and the boundaries of existing service areas may not be appropriate for the delivery of planning services. Geographic features (e.g., mountain ranges, rivers, watersheds), for instance, may be more important than regional corporation boundaries or cultural features for defining a planning area.

On the other hand, before proposing a new service system and area, it is important to consider its effect on existing service areas. Is the planning unit going to compete with, overlap, confuse, or fragment the functioning of and services provided by other resource service areas in a region?

G. Implementation Authority (planning options only): In almost all cases, a plan is only as good as its implementation. Therefore, an

effective planning structure or organization must have appropriate implementation authorities and powers.

SCHEDULE

	1979	1980										
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
I. Perspective	/-----/											
II. Identification of Planning and Management Options	/-----/											
III. Evaluation of Planning and Manage- ment Options	/-----/											
IV. Preparation of Products (technical report, legislative and administrative recommen- dations, technical assistance document)	/-----/											

BUDGET

	Federal	State	Total
Personal services	\$40,000	\$37,800	\$77,800
Travel and per diem	8,000	3,200	11,200

		<u>Federal</u>	<u>State</u>	<u>Total</u>
Contractual	47,500	40,400	10,100	50,500
Commodities	500	160	40	700
Equipment	500	600	200	1,300
Total	\$96,500	\$77,200	\$19,300	\$96,500

The proposed budget would fund ¹ person-months of a Planner ^{VI} position (range ^{22 1.5} 19), ¹² 6 person-months of a Planner III position, and 4 person-months of a Clerk Typist III position. The Planner IV assigned to this study has an educational background and professional experience in public administration and planning and the Planner III has extensive practical experience in the unorganized borough.

Contractual services would enable the Division to (1) enter into small contracts with research institutes and/or consulting firms to conduct literature searches and parts of the analysis, especially financial and legal considerations, (2) fund a public involvement component (workshop series and/or survey) and (3) print final products.

RELATIONSHIP TO OTHER STUDIES

During the past year, the State has experienced an upsurge of interest in the unorganized borough. Major projects and their relationships to the study proposed in this reimbursable services agreement (RSA) are described below:

Local Government Study

The standing committees of the House and Senate CRA Committees are conducting a Local Government Study during the interim. According to

the committees' June 14 study plan, the product of the study will be a legislative package to be compiled by December. In comparing the Local Government Study schedule with the schedule proposed for this RSA, there are three distinct points at which a constructive exchange could take place:

1. September 30. The Division could provide the committees with a draft of its narrative providing a perspective on planning and management in the unorganized borough. This information could be used as background for the local hearings and field visits planned for October. The Division, in turn, would obtain and use proceedings of the committees' August 4-5 symposium, analysis, and regional workshops.
2. November 15. The Division could provide the committees a preliminary description of planning and management options which would be evaluated later in the study. The Division, in turn, would obtain and use transcripts of the local hearings scheduled for October. (The Division's public involvement program would span a longer period of time and be integrated into other functions such as board meetings of regional non-profit organizations and would occur during the analysis phase, November through April.)
3. November-December. The Division will share with the committee findings of its evaluation of planning and management options. While the Division's evaluation will continue several months into the 1980 legislative session, it is possible that some of its findings would be available to influence the legislative package either before the package is compiled in December or during committee hearings.

Tanana Chiefs Conference Proposal

The Tanana Chiefs Conference has proposed three alternatives for planning in the unorganized borough: (1) planning undertaken directly by a Native non-profit organization, (2) planning undertaken by advisory planning commissions recognized by the State under AS 44.19.880(c), and (3) planning and implementation undertaken by subregional planning commissions the governmental authority of which would be vested in the Department of Community and Regional Affairs. Legal opinions rendered by the Legislative Affairs Legal Section and forthcoming from the Attorney General's office will be useful in assessing the legality of each option. Furthermore, the Tanana Chiefs Conference project and proposals could serve as a case study to help the Division study team evaluate the three options listed above.

NANA Regional Strategies

About a year ago, the Mauneluk Association undertook a three-year project to develop a regional strategy for development of the Northwest Alaska Region. During the second year of this project, major emphasis will be placed on exploring concrete mechanisms for implementing such a regional strategy in the unorganized borough.

The study team performing work proposed in this RSA will closely coordinate their efforts with those of the Mauneluk Association. Coordination will occur through the Division staff member assigned to the NANA Regional Strategy Steering Committee.

Division of Policy Development and Planning

The Division of Policy Development and Planning is approaching the unorganized borough in two ways: (1) seeking the Attorney General's advice on the Tanana Chiefs Conference's request to have six sub-regional planning commissions designated advisory bodies by the Governor, and (2) working with other offices in the Administration to develop rural policy. The Department of Community and Regional Affairs has been working and will continue to work closely with the Division of Policy Development and Planning on both these efforts. Findings of the study proposed in this RSA will be made available to the Division of Policy Development and Planning as expeditiously as possible for use in formulating rural policy.

VC/slj

STATE
of ALASKA

MEMORANDUM

TO: [Senator Arliss Sturgelewski
Representative Bill Parker
Co-Chairmen
Joint Senate-House Committee
on Community & Regional Affairs

DATE: September 27, 1979

FILE NO:

TELEPHONE NO:

FROM:

Murray R. Walsh 
Coordinator
Office of Coastal Management
Division of Policy Development
and Planning
Office of the Governor

SUBJECT: Unorganized Borough
Legislation

I think this bill, in its current form represents an impressive opportunity and comments to follow should not be thought of as detractions to the bill but rather possible additions. My comments are going to be on the radical side and so it will be perfectly understandable if they were set aside. I would still be most supportive of the bill in its current form.

First of all, the procedure for establishing an unorganized borough assembly is roughly similar to that used for establishing coastal resource service area and one of the problems we have encountered is finding some leadership to carry the organizational ball, as it were, at the local level prior to the first election. We would suggest the establishment of interim unorganized borough assemblies by appointment of the governor. Eleven people could be selected from each unorganized borough area, appointed by the governor and charged solely with some of the responsibilities of the elected assemblies. At the current time, we have had to rely, not unsuccessfully, on the leadership provided by non-profit native corporations, principally to achieve the two successful elections we have had thus far for creating coastal resource service areas. While this has not been unworkable, we do think that a more formalized organization appointed by the governor might be more appropriate and eliminate any threat of the native bias that some people may perceive with the coastal resource techniques we have used.

With regard to proposed section 44.47.450, "Powers of the Unorganized Borough Assembly", we would suggest that the planning powers established for the unorganized borough assembly can be made somewhat more detailed without a great excursion into other law or new law. As it happens, the Department of Natural Resources currently does have power to undertake zoning in the unorganized borough. This power has been mentioned repeatedly as one of the implementing techniques for coastal resource service area district coastal management program. It seems to us that without a great deal of legislative effort planning authority could be given to the unorganized borough assembly.

A process could be established for the state review of the unorganized borough assembly plan through the Division of Policy Development and Planning (DPDP) or the Community & Regional Affairs (CRA) and then Department of Natural Resources (DNR) burdened with the responsibility of preparing a zoning ordinance to implement the plan, once it has been approved by the Division of Policy Development and Planning (DPDP) or by the legislature or the Governor or some other entity charged with the responsibility to do so. The legislature could of course engage in a much broader endeavor and create a land and water use policy council akin to the Coastal Policy Council and which would probably replace the Coastal Policy Council and use the Alaska Coastal Management Program (ACMP) set-up as we have it now. That would be a really major step, however again, the Department of Natural Resources (DNR) zoning power could be brought into play without the trappings of a bigger and better state council. There would still be some incentive for the Unorganized Borough assembly to move into home rule at some point because if the Department of Natural Resources (DNR) adopts the zoning ordinance, it will still fall to the Department of Natural Resources (DNR) and probably other state agencies to implement it. The unorganized borough assembly might at some point want to take over that function themselves, but this would probably be left to a more fully constituted local government such as a borough. We do feel that the prospect of this kind of planning power should be offered to the participants in the public hearings in the form of a question so that the attendees of the hearings can get the local feeling as to whether or not this should be part of the act. It may also happen that the bush residents would feel much more supportive of the act if this more defined land use planning authority was added to powers of the unorganized borough assemblies.

Additional questions which should be asked of all participants in this effort relate to the qualifications of the potential assembly members. Do we need to have districts established by CRA within the unorganized borough for the assembly members to be drawn or should they be elected at large? Currently, the Alaska Coastal Management Act does provide for districting so that the Coastal Planning Board members can represent a part of, rather than the whole, service area. Other question which should be asked is whether residents of existing incorporated cities and towns within the unorganized borough should be allowed to sit as assembly members.

Another concern relates to the matter of funding for the operation of the unorganized borough assemblies. This, I think, should be more clearly spelled out in the act and possibly some special appropriation or special funding effort set up.

A great deal of acceptance may depend on how easily people can perceive that the state will make a serious effort to support these assemblies until they reach home rule status. Obviously, unorganized borough assemblies can have no taxing power of their own, yet they should be equipped to receive funds for the state and federal government. I can't offer any concrete proposals here at the present time, although we will continue to ponder this notion.

Yet another item relates to the relationship between the coastal resource services area planning board and the unorganized borough assembly. The act as written would not impair the powers of the planning board, but I do think there should be more of an interlock between the two bodies. In essence, it would be appropriate for the unorganized borough assembly to approve any work done by the planning board before it is transmitted to the Coastal Policy Council. Likewise, it might be appropriate for the planning boards to be appointed by the assembly rather than elected. This would require an amendment to the Coastal Management Act. It would certainly simplify the amount of elections and confusion that will result by having two different boards elected. It might even be appropriate to require appointments of unorganized borough planning commissions to replace the coastal resource planning boards. This would enable planning function to be uniform for interior as well as coastal unorganized boroughs. I suppose it would be foolish to suggest that the school boards be handled in the same ways since school boards are independently elected elsewhere in the state, as well as in many places in the lower 48.

Returning to the matter of funding for a moment, this is likely to be the lynch-pin that can cause failure of this act due to resentment on the part of existing local governments and people in general who have been taxing themselves to provide local services. With that in mind, it may be very difficult politically to have a special new fund created for the purpose of supporting the unorganized borough assemblies. However, there may be another way and this would be for provision of the act to be inserted which would require some entity within the state, possibly Community and Regional Affairs to survey the existing funding situation for bush areas and come up with a proposal to re-route existing funding into the unorganized borough assemblies. This would be awkward but it might be more politically and economically desirable than a new source of funds.

Another financial note, again relating to the likely jealousy that standard local governments might have for fully state supported unorganized borough assemblies. There may yet be a possibility of

Senator Arliss Sturgelewski
Representative Bill Parker

-4-

September 27, 1979

making this package more attractive to all concerned if there is a provision that mandates a transition into more formalized local government when revenue opportunities per capita reach a certain point. Again, the act would have to provide some instrumentality at the state level to monitor population growth and development in the unorganized boroughs and be prepared to declare through a public hearing process that critical ratio of assessed valuation to population had been reached. This would result in some kind of formal finding that would then be noticed to the organized borough assembly which would then have a specified period of time in which to apply for home rule status or risk self-destruction. In view of the Governor's policy on self-support for local government, this might be an important consideration in obtaining administration support for the act.

I would like to emphasize that I think the act in its present form could still be workable although some of the questions about standing for the unorganized borough assembly membership be settled. I do think, though, that the matters raised in this memo should be converted into question and asked at the same time as the bill was discussed. In essence, you would be saying "Here is this bill. In addition to this bill, would you like the following features added to it?". In all, we are very impressed and look forward to a happy conclusion to this effort.

Thank you very much for the opportunity to participate.

REIMBURSABLE SERVICES AGREEMENT

The Div. of Policy Development & Planning, hereby request the following
 (Agency)
Office of Coastal Management
 services to be performed by the Legislative Affairs Agency
 (Agency)

PROJECT OR PROGRAM TITLE: Alaska

DESCRIPTION AND TERMS OF REIMBURSEMENT: to conduct public hearings and
provide staff services for the local government study.

(Attach additional information as required)

DATE COMPLETION REQUIRED: June 30, 1980

ACCOUNT CODE TO BE CHARGED: 01 48 6 019 CONTINUING FUNDS. Yes ☐ No ☒

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

	<u>ESTIMATE</u>	<u>ACTUAL</u>
Planning, engineering, and supervision	\$ _____	\$ _____
Land acquisition and equipment	\$ _____	\$ _____
Construction	\$ _____	\$ _____
Other (itemize) 100 Personnel	\$ <u>5,000.00</u>	\$ _____
200 Travel	\$ <u>20,000.00</u>	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
TOTAL	\$ <u>25,000.00</u>	\$ _____

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: _____
 REQUESTING AGENCY

APPROVED: _____
 SERVICING AGENCY

DATE: _____

DATE: _____

APPROVED: _____
 DEPARTMENT OF ADMINISTRATION

DOCUMENT TOTAL

ENCUMBERED

RSA - July 9, 1979 through June 30, 1980

The Legislative Affairs Agency will allocate the following personnel for fulfilling the terms and conditions of this agreement.

See attached RSA

Funding Requirements

	Federal	State	Total
100 Personnel	\$5,000.00		
200 Travel	20,000.00		
300 Contractual			
400 Supplies			
TOTAL:			

TERMS AND CONDITONS OF REIMBURSABLE SERVICE AGREEMENT WITH
THE OFFICE OF THE GOVERNOR, DIVISION OF POLICY DEVELOPMENT
AND PLANNING TO ASSIST IN THE IMPLEMENTATION OF THE ALASKA
COASTAL MANAGEMENT PROGRAM.

INTRODUCTION

The Legislative Affairs Agency serves as an administrative arm for the Alaska State Legislature and administers funds for legislative committe activities. The agency will allocate to the Joint Senate and House Committee on Regional and Community Affairs Local Government Study the amount of \$25,000.00 for their activities in connection with management alternatives for the unorganized borough.

The joint committee, working with the State Department of Community and Regional Affairs, will assist the Office of Coastal Management in the implementation of the Alaska Coastal Management Program. This agreement describes the tasks that make up the committee's component of program, which is supported by federal grant funds from the Department of Commerce pursuant to the first year 306 grant application, as approved. A copy of the grant program is attached.

The task numbers in this Reimbursable Service Agreement correspond to the numbers of the objectives in the first year 306 grant application of the Alaska Coastal Management Program (ACMP).

Task E2: Unorganized Borough Management Alternatives

A. Discussion

As part of a comprehensive attempt by both the executive and legislative branches of State government, the Joint Senate-House Committee on Community and Regional Affairs will conduct a series of studies and public hearings on local government during the grant year. The objective will be to study alternatives for the provision of all governmental services in all local areas of Alaska, in both the organized and unorganized boroughs. At present in many rural parts of the state, there is no formal governmental structure for planning for and administering and providing services usually performed by local government. This, of course, has serious implications for the Alaska Coastal Management Program in that capabilities for district development of coastal management programs may be limited and once those programs are officially approved, there is no local entity for their implementation. An attempt to resolve this problem was made in the Alaska Coastal Management Act of 1977 when Rural Education Attendance Areas were given the power to organize into Coastal Resource Service Areas and implementation of the plans would be carried out by state agencies. But as to how agencies would actually exercise these new duties remains unclear; there is even serious reservation that this is an appropriate or effective approach.

Many areas which are currently within the unorganized boroughs have taken steps to organized into Coastal Resource Service Areas or have expressed an interest in doing so soon. Pressures on coastal communities are steadily escalating as proposals expand for bottomfisheries development, outer continental shelf

leasing, port development, refinery siting, etc.

While effective coastal management planning and implementation is one of the larger concerns of this effort, it is by no means, the only issue to be addressed. Other such basic local government service/ ^{provision potentials} such as sanitation, education, etc. will be examined. The legislative undertaking will:

1. Study and evaluate the sufficiency of available local government structures to meet the need for local government entities at the community and regional level.
2. Study and identify present public services provided by federal, state, and municipal levels of government and assess their relationship to local government formation.
3. Study and evaluate the economic base of the unorganized borough and its sufficiency in financing the basic local government functions.
4. Study and evaluate the social, political, and cultural patterns in the unorganized borough and their relation to local government formation.

The joint committee will do so by staff research activities, supplemented by Department of Community and Regional Affairs staff assistance and reports, and by conducting symposia and public hearings at regional centers and selected rural communities. Findings from these activities will be gathered, analyzed, and....

B. Products and Schedule

Sub-Task 1. The Joint Senate House Committee on Community and Regional Affairs will develop a work program and hearing schedule for activities funded by this agreement, due at OCM by August 30, 1979.

Sub-Task 2. The Joint committee will submit copies of all reports and analyses prepared in connection with service provision in organized and unorganized boroughs and of suggested management structures and mechanisms as they are produced.

Sub-Task 3. Records of ^{Final Joint Symposium, must} regional symposia and rural hearing proceedings will be forwarded to OCM as they are completed, no later than Dec. 31, 1979.

Sub-Task 4. Any legislative proposals which are developed through this effort will be sent to OCM as they are prepared.

Sub-Task 5. A copy of recommendations developed by the joint committee for the legislature will be sent to OCM upon completion, no later than Feb. 1.

Sub-Task 6. A paper addressing specific findings and conclusions with regard to coastal management planning and implementation will be prepared by the committee and submitted to OCM no later than Feb. 1.

Sub-Task 7. Final report prepared at conclusion of legislative session reporting on action taken, if any, due to OCM by June 30, 1980.

6(b) Report on need for additional funds for project.

CCW + NCHH contribution

C. Contracts and Costs

A copy of the joint committee's local government study budget is attached. For details on travel allocations, budget should be consulted. Additionally, changes approximately, \$ _____ in match will be provided from legislative appropriations.

	Federal	State	Total
100 Personnel			
Admin. Asst. 2.31 mm	5,000	30,738	35,738
200 Travel	20,000	-0-	20,000
300 Contractual			
400 Supplies	_____	_____	_____

TOTAL:

SCOMM

10:7



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

June 9, 1980

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

Mr. Murray Walsh, Coordinator
Office of Coastal Management
Pouch AP
Juneau, Alaska 99811

Dear Murray,

Enclosed herewith are the files related to the reimburseable services agreement between the Senate and House Community and Regional Affairs Committee Local Government Study 1979 and the Division of Policy Development and Planning, Office of Coastal Management.

The required products of the RSA and the corresponding documents are as follows:

- Sub-Task 1 - Work Program/Local Government Study
July, 1979
- Sub-Task 2 - See "Reports" Folder
- Sub-Task 3 - Local Government Study/1979
Local Government Study/Final Report
- Sub-Task 4 - Legislative Package
- Sub-Task 5 - A Final Report Prepared by the Joint
Senate and House Community and Regional
Affairs Committee Local Government Study
- Sub-Task 6 - General applicability of findings re
coastal management planning and imple-
mentation covered throughout Study
reports
- Sub-Task 7 - See "Legislative Package" Folder

Additional background materials for the Study as well as tapes of the public hearings and statewide teleconference on legislative package are filed with the Senate Community and Regional Affairs Local Government Study 1979 Interim Study file. Background and tapes of public hearings on the specific bills in the legislative package are filed with the Senate and House Community and Regional Affairs Committee files for 1980. These are available through the Legislative Library.

Again, our thanks for the cooperative assistance of both you and your staff during the Interim Study and the Legislative Session. Your expert testimony and the open and willing cooperation with Community and Regional Affairs Committee members and staff were most helpful. We look forward to working with you in the future.

Yours truly,

A handwritten signature in cursive script, appearing to read "Bill", written in dark ink.

Rep. Bill Parker
Chairman, House C&RA

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

5/12/80

Pouch V
State Capitol

Juneau, Alaska 99811

TO: Senator George Hohman
FROM: Senator Arliss Sturgulewski
Representative Bill Parker
RE: Joint Local Government Interim RSA from DPDP,
Office of Coastal Zone Management

Attached is correspondence relative to the Joint Local Government Interim RSA from DPDP, Office of Coastal Zone Management.

The pertinent point in the exchange of memoranda between the Chairmen of the Joint Local Government Study and administrative services is that the Chairmen indicated from the time the RSA was finalized that the Coastal Zone Management funds were to be expended after the legislative appropriation for the Study and that any unexpended portion of such monies would be returned to the Office of Coastal Zone Management. This intent was stated in memos and was restated verbally numerous times in communication with administrative services. Furthermore, there was no indication from administrative services that the requested direction from the Joint Committee was inadequate. And indeed, disbursements from the account continued into the legislative session. The fact that the RSA was not handled by administrative services in a bookkeeping manner which would have accommodated this request does not negate our commitment to the Office of Coastal Zone Management on this matter.

Therefore, we request that the \$12,000 undispersed by the Joint Committee be remanded back to DPDP, Office of Coastal Zone Management as per our agreement with that agency.

cc: Myrt Charney
Murray Walsh



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

4/18/80

Pouch V
State Capitol
Juneau, Alaska 99811

To; Myrt Charney, Executive Director
Legislative Affairs Agency

From: Senator Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs
Rep. Bill Parker, Chairman
House Community & Regional Affairs

RE: Joint Local Government Interim RSA
from DPDP, Office of Coastal Zone
Management

Myrt,

It appears that there is a question related to the disposition of \$12,000 which remained in the Senate Community and Regional Affairs Interim budget and which had been allocated for use of the Joint House and Senate Community and Regional Affairs Committee Local Government Study conducted during 1979. It was our intent and direction that these funds be returned to the Division of Policy Development and Planning, Office of Coastal Management.

The history of the Reimbursable Services Agreement between OCM and Legislative Affairs Agency for \$25,000 can be reconstructed as follows. The documenting memos are attached.

1. A Reimbursable Services Agreement was approved on Sept. 14, 1979 between the Division of Policy Development & Planning, Office of Coastal Management and the Legislative Affairs Agency for services to be performed. Specifically, the RSA specified that public hearings would be conducted and staff services provided for the local government study. The amount of the RSA was \$25,000.
2. On September 26, 1979 a memo was sent to the Division of Administrative Services by staff of the Joint Committee indicating the intent of the Chairmen that funds appropriated by

the Legislative Council for the Interim Local Government Study be expended BEFORE the \$25,000 from the Office of Coastal Zone Management was to be expended.

3. Prior to the Second Session of the Eleventh Legislature, on January 11, 1980, the Division of Administrative Services was directed to encumber the \$25,000 to cover expenses incurred by the Joint Committee during the Interim for which billings had not been received by Administrative Services.
4. In early March the House and Senate C&RA Committees were advised that approximately \$12,000 remained in the Interim budget and that that amount could not be transferred back to the Office of Coastal Management as it did not specifically state on the RSA that any of the \$25,000 not expended by the Committee would be returned. Apparently, the bookkeeping procedure used in this instance was an increase in the appropriation granted to the Joint Committee instead of a reduction in the expenditures.

The Chairmen of the Committee would appreciate a resolution of the problem with the \$12,000 returned to the Office of Coastal Management.

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

April 28, 1980

MEMORANDUM

TO : Senator Arliss Sturgulewski
Representative Bill Parker ✓

FROM : M. R. Charney, Executive Director *M.R.C.*

SUBJECT: Joint Local Government Interim RSA from DPDP,
Office of Coastal Zone Management

We have reviewed your memo of April 18 regarding the circumstances of the Community and Regional Affairs RSA.

You make four points regarding the subject for which our comments are directed as follows:

1. Agree with totally.
2. Our best recollection of the September 26, 1979 memo is that shortly after receiving that memo, Pat Costello was informed by committee staff to ignore the memorandum inasmuch as there had been a change of minds regarding the merging of funds. The best evidence of this is that, in fact, the funds were never merged as requested in Mrs. Gorsuch's September 26, 1979 memo. Perhaps there may have been a lack of communication at that time - since only one portion of the memo should have been ignored; however, we acted in the manner as we interpreted it.
3. Mrs. Gorsuch's memo of January 11, 1980 caused problems in two ways. First off, January 11 was the Friday prior to the session and the memo was not in my possession when both the Speaker and Senator Hohman (acting on behalf of Senator Tillion) met with me, individually, on January 12 to exercise their authority under Ch. 80, SLA 1979, page 51, to transfer all interim committee balances to other uses. Also contributing to the problem was that Title 37, as administered by the Department of Administration (as well as accepted accounting principles), dictates that encumbrances of funds may be made only for bonafide contracted obligations - not unsupported memo requests to encumber funds. In other words, we cannot encumber funds just because someone asks us to. There must be evidence of an obligation (contract, used TR, delivery order, etc.).

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

SEE CODE AT BOTTOM OF FORM

SEE CODE AT BOTTOM OF FORM

OTHER

DATE PREPARED _____

1/14/80

AMOUNT

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11/30/79 - 437⁰ 390

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ADMINISTRATION

50,000.00

VOUCHER NUMBER-

AR - ACCT RECEIVABLE

FEB 22 1980

AVO 10472

REIMBURSABLE SERVICES AGREEMENT

10-5K-115
RS 01-8042

The Div. of Policy Development & Planning, hereby request the following
(Agency)
Office of Coastal Management
services to be performed by the Legislative Affairs Agency
(Agency)

PROJECT OR PROGRAM TITLE: Alaska Coastal Management Program implementation

DESCRIPTION AND TERMS OF REIMBURSEMENT: to conduct public hearings and
provide staff services for the local government study.

(Attach additional information as required)

DATE COMPLETION REQUIRED: June 30, 1980

ACCOUNT CODE TO BE CHARGED: 01-48-6-019 CONTINUING FUNDS ☐ Yes ☒ No

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

	ESTIMATE	ACTUAL
Planning, engineering, and supervision	\$ _____	\$ _____
Land acquisition and equipment	\$ _____	\$ _____
Construction	\$ _____	\$ _____
Other (itemize)	\$ _____	\$ _____
100 Personnel	\$ 5,000.00	\$ _____
200 Travel	\$ 20,000.00	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____
TOTAL	\$ 25,000.00	\$ _____

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: [Signature]
REQUESTING AGENCY

APPROVED: [Signature]
SERVICING AGENCY

DATE: Sept. 13 1979

DATE: 9/14/79

APPROVED: [Signature]
DEPARTMENT OF ADMINISTRATION

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Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Pat Costello
FROM: Marjorie Gorsuch *Marjorie Gorsuch*
DATE: 9/26/79
RE: Budget for Local Government Study

Pat,

Rep. Parker and Senator Sturgulewski have concurred in the decision that the House and Senate funds for the Local Government Study should be merged into one account. The combined House and Senate C&RA funding should be expended BEFORE the \$25,000 received from the Office of Coastal Zone Management is dispersed. Please continue to give us the monthly status of the Committee account.



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Juneau, Alaska 99811

TO: Sharron Sturrock
FROM: Marjorie Gorsuch
DATE: 1/11/80
RE: Budget

Sharon,

Please encumber the Senate C&RA Committee Budget with the \$25,000 RSA received from the Office of Coastal Zone Management and currently shown in the Senate Budget as not being encumbered.

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